Opening Remarks – Day 2

Vice Admiral Conrad Lautenbacher, Jr.
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Thank you Bill. It is great to be here again today.

As we heard from Secretary Gutierrez yesterday, this Summit is about making aquaculture work for America. Making it work….

- For people who want and need healthy, affordable, sustainable seafood;
- For coastal communities by complementing their seafood industry;
- For the oceans by enhancing wild stocks; and
- For people who want to make their living providing sustainable farmed seafood—in short, for businesses.

Yesterday we heard about the opportunities and constraints for U.S. marine aquaculture from people in the business.

Today we focus on what the Federal government can do about these opportunities and constraints.

All of us in this room understand why it's important to take action:

- The U.S. is a player globally in aquaculture investment, technology, feeds, and equipment.
- U.S. consumers, seafood processors, distributors, restaurants, and retailers have benefited from increased global trade in aquaculture products that now supply almost half of our U.S. seafood demand.
- But, as everyone in this room knows by now, we as a nation lag behind other countries in terms of domestic production of aquaculture. Does anyone find it acceptable that we as a nation produce just 1.5 percent of the total global aquaculture production? I think not.

And domestic production matters.

We need local and regional seafood for processors, distributors, and marketers that require a supply of product to stay in business. And we all know that local seafood provides local jobs and helps maintain working waterfronts.

There's also an issue of security. Many consumers like to know that their seafood was produced locally in a safe and sustainable way.

Producing seafood locally allows us to test and develop new technologies, equipment, and alternative feeds, making us more competitive in the global market.

And producing our own seafood allows us to lead by example. Our sustainable production will encourage best management practices in our trading partners, thereby improving the quality of all the seafood reaching US consumers.

So, even though we're likely to continue to be importers of seafood in the near future, we could produce far more seafood from aquaculture on our own shores and in our own heartland – if we want to.

Yesterday's sessions also pointed up the synergies and the ways that aquaculture, commercial fishing, and recreational fishing are linked. For instance, you heard from Randy Cates and Roland Barnaby that some commercial fishermen have started aquaculture ventures in Hawaii and New Hampshire. And hatcheries and research institutes are using aquaculture to complement commercial and recreational fishing. Tom Raftican, for example, described the work on white seabass enhancement that Hubbs SeaWorld Research Institute in San Diego is doing with the Southern California Sport Fishing Association.

But despite these initiatives, the U.S. still lags far behind the rest of the world. What's holding us back? Investors, feed companies, and equipment manufacturers gave us their views yesterday.

The major impediments to increase domestic production of marine aquaculture are

- The lack of clear and efficient regulations and
- The lack of sufficient economic incentives and R&D programs.

Today's panels will address those issues.

Likewise, the offshore aquaculture legislation being considered by both houses of Congress would create a regulatory framework to allow operations in Federal waters and facilitate research for all marine aquaculture, not just offshore.

The aquaculture industry depends upon a healthy environment and welcomes strong environmental regulations. The U.S. aquaculture industry is already subject to among most stringent environmental regulations in the world. However, yesterday, we heard stories from people who were incredibly frustrated by the difficulty, red tape and delays they faced trying to get necessary permits.

Do we really want—intend—to drive our aquaculture enterprises to other countries, as has happened with the people, like Brian O'Hanlon, who told their stories here yesterday?

The most important thing to business investors is certainty – and US investors are going to other countries rather than subject themselves to an uncertain and costly permit process. The regulatory process needs to be improved if we're going to allow the full benefit of these investment dollars in our own communities.

This afternoon's panel on regulation and legislation will deal with this challenge, in part by discussing two marine aquaculture regulatory issues making the news: the offshore legislation and shellfish farming regulatory issues.

Some of the states have already developed permit processes that could serve as a model for federal offshore regulations. Hawaii is a good example. Secretary Gutierrez and I visited aquaculture facilities there several months ago and that state has set up a clear, efficient, business-like regulatory process for aquaculture permits in state waters that allows for ample public consultation and environmental review.

Assuming we can work together to get a good regulatory framework in place, another role that government can play is to help jump-start new industries and reduce the risks that the private sector isn't willing to shoulder until an industry is established.

In most major aquaculture-producing countries in the world—Norway, Canada, Chile, Vietnam—governments have worked with private financial and insurance institutions to address the risks of new technology start up and provide certain types of crop and disaster insurance. These governments also work with research institutes to develop innovative practices, technologies, and feed and nutrition products.

The U.S. federal government supports many agricultural crops with incentives and R&D programs. Can we develop or expand similar programs for marine aquaculture? What's the proper role for the Federal government, and when should risk, technology, or responsibility be transferred to the private sector? The third panel today covers these economic incentive issues.

Pilot and demonstration projects are an important component of an R&D program. All of us are aware that aquaculture will not expand in the U.S. unless it gains broader social acceptance, unless people have a better understanding of what it's all about. Aquaculture is new, different, or unknown to many. Will it interfere with tourism, sport or commercial fishing? Will is create or solve environmental problems? Fears and misinformation about aquaculture abound in the popular press. Some are legitimate, some unfounded. One way to address these concerns is to undertake more pilot and demonstration projects that have the active participation of a range of local or regional interests. Learning-by-doing allows people to participate in design, find the best sites, avoid conflicts, understand the issues at stake, see the project up close, and examine the monitoring data. Regional offshore aquaculture pilot projects that are at the design stage in the Gulf of Mexico and in California are consulting with the offshore pioneers here at this Summit who are serving as role models in New Hampshire, Puerto Rico, and Hawaii.

NOAA, as the nation's oceans and fisheries science agency, is also tasked with providing the best available science about marine aquaculture to policy makers and the public so that government agencies can make informed regulatory and policy decisions.

The aquaculture industry, NGOs, and other stakeholders are all asking Federal agencies to do more research to determine where to best site aquaculture facilities…how to increase aquaculture production while maintaining safeguards for wild stock and the environment…how to develop alternative feeds…and how best to undertake stock replenishment.

NOAA, USDA, and other Federal agencies are working on these issues through in-house science centers and research partnerships with states, universities, and industry.

But which research initiatives should be given priority? What types of partnerships are best suited to implement and fund these research initiatives? The final panel of the day will tackle these research questions.

The opening panel of this second day of the Summit brings together four leading players in the aquaculture and seafood sectors to identify and discuss what they think the federal government should be doing to enable the development of marine aquaculture in the U.S. The next three panels will then go into possible federal actions in greater detail.

The distinguished panel members are:

John Connelly, President of the National Fisheries Institute, a leading voice for the fish and seafood industry. NFI members span from "water to table" – whether they catch or cultivate, process or distribute, import or export, a common goal is to help American families eat more fish and seafood. Mr. Connelly was recently appointed to the board of the Marine Stewardship Council and to NOAA's Marine Fisheries Advisory Committee.

Joe Hendrix, the principal partner in Sea Fish Mariculture, has 30 years of experience in aquaculture production and seafood marketing. He was a co-founder of Harlingen Shrimp Farms in Texas, managed one of the early offshore finfish pilot projects in the Gulf of Mexico, and is currently Vice-Chairman of the Gulf of Mexico Fisheries Management Council.

Mark Drawbridge manages the main hatchery facility of Hubbs Sea World Research Institute in California and the current President of the California Aquaculture Association. Hubbs is working on white sea bass enhancement and several species with commercial aquaculture potential. Mr. Drawbridge has been active in California legislative and regulatory issues dealing with aquaculture.

Sebastian Belle began his career as a mate on a lobster boat. He was the operations manager for one of the largest salmon farms in Maine and has managed a bluefin tuna project at the New England Aquarium and a commercial scale aquaculture R&D foundation in Norway. He is currently the director of the Maine Aquaculture Association, the oldest aquaculture association in the country. Based on farm-gate sales, Maine has been the number one marine aquaculture producing state for 10 of the last 15 years and the association's members grow products worth on average over $80 million per year at the farm gate.